

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2097 – SB 2490

March 28, 2014

SUMMARY OF ORIGINAL BILL: Designates certain state-owned parkland along I-440 Parkway between Belmont Boulevard and Interstate 65 in Davidson County, as the *Senator Douglas Henry Urban Conservation District* and directs the Department of Transportation (TDOT) to erect and maintain suitable signs at the intersection of Gale Lane and Leland Lane. Designating signs shall be erected only if the cost of the manufacture and installation of such signs is paid to TDOT from non-state funds within one year of the effective date of this bill. Prohibits such land from being developed for an interchange on or after the effective date of this bill.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Not Significant to State or Local Government – However, to the extent that non-state funds are received from a local government, there will be a one-time, permissive increase in local government expenditures of \$150.

SUMMARY OF AMENDMENT (014698): Deletes all language after the enacting clause. Encourages TDOT to transfer the state-owned portion of land between Belmont Boulevard and Interstate 65 in Davidson county, except such land as needed for the right-of-way of Interstate 440, to the Metropolitan Government of Nashville and Davidson County (Metro Nashville) in perpetuity so long as the property is maintained as parkland. Authorizes TDOT to dispose of any land not transferred to Metro Nashville, except for the areas designated as the *Battle of Nashville Monument Park* and *The Charles A. Howell, III, Descendants Park*. Directs TDOT to erect suitable markers at the Intersection of Gale Lane and Lealand Lane in Davidson County, designating the area as the *Senator Douglas Henry Urban Conservation District*. Requires any additional land transferred to Metro Nashville for parkland pursuant to this bill to also be designated as part of the *Senator Douglas Henry Urban Conservation District* and identified with suitable markers. Designating signs shall be erected only if the cost of the manufacture and installation of such signs is paid to TDOT from non-state funds within one year of the effective date of this bill as amended.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – Not Significant to State or Local Government – However, to the extent that non-state funds are received from a local government, there will be a one-time, permissive increase in local government expenditures of \$300.

According to TDOT, the fair market value of the state-owned surplus property is \$7,805,000. If some of this property is transferred to Metro Nashville, the state will forgo a certain amount of revenue as such property will not be sold for fair market value. The exact amount of such forgone revenue is unknown but is reasonably estimated to exceed \$500,000. Further, according to TDOT, Metro Nashville has indicated that it will require a grant from TDOT between \$1,800,000 and \$2,600,000 in order to develop this property into parkland. TDOT has made no commitment to provide such funding. If some of the state-owned property is transferred to Metro Nashville, there will be a recurring transfer of state funds to local government for maintenance purposes. The exact amount of such funds is unknown, but is reasonably estimated to not exceed \$10,000.

Assumptions for the bill as amended:

- The cost to manufacture and erect one sign is \$150.
- It is estimated that a total of two signs shall be erected, resulting in a one-time, permissive increase in local government expenditures of \$300, to the extent that non-state funds are received from a local government.
- According to TDOT, this bill as amended will allow TDOT to determine what property it needs to keep for highway right-of-way, what property may be transferred to Metro Nashville for parkland, and what property may be sold for fair market value. Any fiscal impact will be permissive to TDOT and Metro Nashville.
- If some of the state-owned property is transferred to Metro Nashville, there will be a recurring transfer of state funds to local government for maintenance purposes. The exact amount of such funds is unknown but is reasonably estimated to not exceed \$10,000.
- For property that is transferred to Metro Nashville, the state will forgo a certain amount of revenue as such property will not be sold as long as it is maintained by Metro Nashville as parkland. The exact amount of such forgone revenue is unknown but is reasonably estimated to exceed \$500,000.
- According to TDOT, Metro Nashville has indicated that it will require grant funds of \$1,800,000 to \$2,600,000, to be provided by TDOT, if additional development is required to turn this property into parkland. Fiscal Review Committee staff has sought input from Metro Nashville on this issue but received no response. TDOT has made no commitment to provide such funding.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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